

## **Water Rate Increases Effective in January**

Morgan Hill water customers will see two increases on their January 2005 water bill. These increases are part of a series of increases that will occur through 2007 in order to meet the increasing costs of operating the water system, capital improvements to the water system, debt service and perchlorate treatment costs.

Effective January 1, 2005 water rates will be increased across-the-board by 2%. For example, the base charge for residential customers on a 5/8" meter will increase from \$5.10 per month to \$5.20 per month. The rate for one unit of water (748 gallons) will increase from \$0.99 to \$1.01. In addition, low income discounts also increase by two percent to \$3.13.

Water customers currently are billed a 5% surcharge on total water fees each month. These funds are collected to help offset the cost for perchlorate treatment. Effective January 1, 2005, the surcharge will increase to 10% per month. This surcharge is applied to water charges only and is not applied to sewer or lift station charges. The City is pursuing legal action related to perchlorate contamination and ratepayers may be reimbursed at a future date.

For more information regarding water and sewer rates, please contact our Utility Billing Department at 779-7221.